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Chris Collins' signature is all that's needed to complete an outside auditor's review of the county's books from last year, the county comptroller's office said this week.

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ERIE COUNTY

Poloncarz, Collins differ on impact of executive's delay in signing audit

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Erie County risks the loss of state funding and a dip in its credit rating, according to County Comptroller Marc C. Poloncarz, unless County Executive Chris Collins signs off on an audit.

That is all that is needed to complete an outside auditor's review of the county's books from last year, Poloncarz's office said this week.

In response, Collins said the county faces no financial risk and claimed that Poloncarz has created "artificial deadlines" to drum up interest in the issue.

Two state entities and a major credit-rating agency have told the Comptroller's Office that the county could face sanctions if a second audit, which can be completed only after the first is done, is not finalized by Sept. 30.

The audited statements have been ready for Collins' signature since June 10, according to Poloncarz's office.

But Grant Loomis, Collins' spokesman, said "unresolved budget matters" involving the county and the Erie County Medical Center Corp. must be settled before Collins will sign off on the 2009 Audited Financial Statement. The delay, Loomis added, "will have no impact on county finances."

Yet in a July 19 letter to Poloncarz, the state Health Department warns that "payments will be suspended" if the county misses the Sept. 30 deadline.

In an Aug. 11 letter, the Office of Alcoholism & Substance Abuse Services said the county's failure to submit the audit on time "could result in the imposition of sanctions."

Standard & Poor's, the credit-rating agency, has requested the final audit from the county comptroller and has said it may consider downgrading the county's rating, Associate Deputy Comptroller Timothy C. Callan said in an e-mail.

"Standard & Poor's currently has an outstanding rating on obligations issued by your organization," the rating agency said in an Aug. 6 letter. "To maintain the rating, we must receive all relevant financial information as soon as it is available."

Despite those letters, the state is so far behind in making payments to the counties that and even failing to complete the report by Sept. 30 poses no risk for taxpayers, Collins says.

"The bottom line is the state's not paying us anyway," Collins said.

Collins claims the County Legislature must meet because the final figures for last year's surplus still could change.

In June, lawmakers voted to use some of the surplus -- most of it federal stimulus funds through the American Recovery and Reinvestment Act. Collins vetoed that reallocation, and the Legislature has yet to take up his veto because it has been on recess.

The Legislature is scheduled to meet Sept. 23. Collins said he will sign the audit report once the surplus figure is finalized.

Deloitte & Touche, the firm handling the audit, has billed the county \$6,000 for its work since the final report was issued, Callan said.

Most of that work, billed on an hourly basis, involved meeting with county officials trying to get this matter resolved, he said.

Work on the second audit -- known as the Single Audit -- has begun and "hopefully" can get finished in the week between the Legislature's meeting and the Sept. 30 deadline, Callan said.

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Comments

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